

**To the Mayor and Members of the City Council****May 24, 2016**

Page 1 of 2

SUBJECT: TOTER CART AGREEMENT FOR SOLID WASTE

This informal report responds to the City Council's recent request for information about the City's current agreement with Toter, a division of Wastequip, LLC, for the provision of solid waste carts. The IR discusses the history of this agreement, customer service issues, and options for future consideration.

History

In 2003, the City moved towards automated residential solid waste cart collections. The City evaluated five cart vendors, with Toter receiving the highest score:

- Toter (83.34 of 100 maximum points),
- Rehrig Pacific (82.37),
- Otto Industries (76.15),
- Cascade Cart (68.06 – cart used by Waste Management), and
- Plastic Omnium Urban System-Zarn (60).

The City Council therefore approved a ten-year contract with Toter through a Cooperative Purchasing Agreement for (a) purchase and delivery of recycling and garbage carts, and later to include yard carts; (b) repair, maintenance, and replacement of carts within 48 hours of customer notification; and (c) a ten-year maintenance warranty.

Under the terms of the contract, a work order for a cart replacement must first be inputted by the City into the City's Call Center. Toter has access to this system and must respond to any repair or replacement request within two days from the date of the request.

While not part of the contract, Toter staff have periodically audited every residential route to identify carts that require repairs, even though residents may not have notified the City directly. During these voluntary audits, Toter has repaired and/or replaced over 45,000 carts.

In 2013, as part of the contract negotiations for residential collections, City staff approached Waste Management about including cart acquisition/maintenance into their contract. Waste Management preferred to leave carts out of the collection contract. However, Toter agreed to extend their warranty an additional five years for a fifteen-year warranty. In addition, staff negotiated reduced rates on all of the cart purchases and services to a rate lower than both national rates and the existing City rate. The current Toter contract expires on January 30, 2018.

Currently, the City has 465,045 carts in service and 11,200 in inventory. The estimated value of these carts is \$18.7 million.

Customer Service

A survey was conducted of other cities and private-sector services. In every circumstance, the customer reports cart damage to the agency and the agency provides replacement or repair within a reasonable number of days. The City does not charge residents for cart repairs or replacement.

Upon contacting the City's Customer Care Team (Call Center), the resident is instructed to leave the cart at the collection point for the next two days, which exempts the resident from having to remove their cart from the curb until the repair has been completed. Toter completes the work order and enters the new cart serial numbers and service activity into the City's software program for verification. Over the last three

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Page 2 of 2

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fiscal years, Toter has repaired or replaced 16,922; 13,100; and 12,059 carts respectively. They have serviced 7,274 carts over the first seven months of this fiscal year.

The City provides repair information in the initial welcome packet and periodic broad-based education channels. Staff also work with the contractors and service providers to report damaged carts. The City will be updating the graphic design of cart lids starting in late 2016 to incorporate recycling, diversion and landfill information. The new graphics will also include a repair/customer service telephone number and web address for more information, including requesting a repair online.

Options for Future Consideration

In 2017, the City will begin a Request for Proposals (RFP) process to select a cart vendor as the current contract expires in 2018. Financial considerations will need to take into account the current \$18.7 million in inventory as well as the cost of repairing and maintaining spare parts for two different brands should the City select a different vendor. The City will also consider the current carts having a fifteen-year warranty from date of purchase.

When the City selected Toter in 2003, price, customer service, maintenance, tippage, and durability were all considerations. Like all durable goods, each vendor argues that their carts tip over less, that the carts break less, and that they provide better customer service. Even the best-designed carts will tip over when they are improperly set for collection, are improperly handled by the collection trucks and are sitting empty in strong winds. Lids will crack from ordinary use or when damaged during collection. Even so, the RFP will give great weight to products that have proven to be less tippable and are more durable, and to contractors that demonstrate excellent customer service. Staff will also request a pricing structure that includes periodic route audits on collection days to locate and repair carts that have not been reported by the customer.

If you have any questions about this information, please call Code Compliance Director Brandon Bennett at 817-392-6322.

David Cooke
City Manager